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CHILEAN VIEW ON ATLANTIC-PACIFIC SPLIT STIRS REACTION

PY200115Y Buenos Aires CLARIN in Spanish 19 Oct 78 p 4 PY

[Text] Statements attributed by various foreign news agencies to the Chilean ambassador to Argentina, Sergio Onofre Jarpa, have caused a certain amazement in our country. According to these reports, the Chilean diplomat had said that "Chile needs an outlet to the Atlantic in order to trade with Africa."

It is the first time in the history of Argentine-Chilean relations that an official representative of the Santiago government recognized a strictly pragmatic motive for its demand for Atlantic waters.

Ambassador Jarpa also reportedly stated that "Argentines are very much interested in expanding their trade with Japan and China, and they are going to do so through Chilean ports." This part of his statement also caused surprise. While it is true that our country is interested in expanding its trade with those two great Asian countries, there would be no reason to use Chilean ports while the Panama Canal functions normally, as at present.

Other remarks by Ambassador Jarpa which gave rise to commentaries in Argentine diplomatic circles concern the principle of the Atlantic-Pacific division, which he called "outdated."

It is precisely this principle which constitutes the nucleus of the traditional Argentine thesis on the question of delimitation in the southernmost region. Just as Argentina has never questioned Chile's jurisdiction in the South Pacific, neither does our country relinquish its categorical claim to the Atlantic waters off its continental shores.

That principle (which was ratified only yesterday by Admiral Lambruschini in Rio Gallegos) cannot be "outdated" since it is permanent. That principle had already played an important role in the protocol agreement on border markers of 1941.

Each time that the two countries confronted this type of problem with the necessary brotherly cordiality (such as the historical "embrace of the straits" between Presidents Roca and Errazuriz), it was made perfectly clear that Argentina's rights extend toward the South Atlantic while Chile exercises indisputable rights in the southernmost area of the Pacific.

Ambassador Jarpa apparently needs a refresher course on the main antecedents in the issue which is now entering what may be its final phase with the negotiations of the second joint commission--the basic treaties between Argentina and Chile signed in 1882 and 1892 and the equally important protocol signed in 1902. All these documents contain firm ratifications of mutual respect for the Atlantic and Pacific jurisdictions.

MONTES TO ATTEND PAPAL INSTALLATION

PY190156Y Buenos Aires LA NACION in Spanish 18 Oct 78 p 1 PY

[Text] Vice Adm Oscar Antonio Montes, the minister of foreign relations and worship, will head our country's delegation to Pope John Paul II's enthronement ceremony in Rome. The foreign minister will leave the day after tomorrow and will be accompanied by Enrique E. Lupiz, the chief of the West European Department of the Foreign Ministry, and by a secretary, Roberto H. Magnacca. The delegation will also include the Argentine ambassador to the Holy See, Ruben Blanco.

BRIEFS

PRC DELEGATION VISITS--Neuquen--A PRC delegation is visiting the El Chocon-Cerros Colorados hydroelectric complex located on the Limay and Neuquen rivers at the invitation of Economy Minister Jose Alfredo Martinez de Hoz. The invitation was offered by the economy minister during his recent visit to the PRC. The delegation is headed by Yan San, director of the Administrative Department of the electric company of Shensi Province. He is accompanied by a group of researchers in long distance transmission techniques who were sent by the PRC's Public Works Ministry. [Buenos Aires LA RAZON in Spanish 9 Oct 78 p 12 PY]

CHILEAN MILITARY DELEGATION EXPECTED--Salta, 6 Oct (NA)--The head of the Salta military garrison announced that a Chilean military commission will visit this city before the end of the year. The commission will arrive at the invitation of the Argentine authorities and will be headed by the chief of the 1st Army Division of Chile. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1615 GMT 6 Oct 78 PY]

COMMANDER TOURS SOUTH--Salta, 9 Oct (NA)--Maj Gen Leopoldo Galtieri, the commander of the 2d Corps, today expressed the hope that the dispute with Chile in the southern zone will be solved through "the goodwill of both parties." General Galtieri arrived here from San Miguel de Tucuman on an "inspection" visit. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 0003 GMT 10 Oct 78 PY]

WARSHIPS FROM FRANCE--Two light French warships left the port of Lorient in the north of France yesterday morning heading toward Argentina, according to an EFE report from Paris. The report says that the ships, which are intended mainly for antisubmarine warfare, were originally built for the South African Navy. However, the French Government decided to sell them to the Argentine Navy after the international arms sale embargo against South Africa began in February. The two ships measure 80 meters in length, weigh 1,200 tons and are capable of reaching a speed of 23 knots, or 42 kph. [Buenos Aires CLARIN in Spanish 16 Oct 78 p 2 PY]

AMBASSADOR PRESENTS CREDENTIALS--Buenos Aires, 17 Oct (NA)--President Jorge Rafael Videla today received the credentials of Jamshid Tavalali, new Iranian ambassador extraordinary and plenipotentiary to Argentina. Foreign Minister Oscar Antonio Montes was also present at the ceremony. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1536 GMT 17 Oct 78 PY]

LABOR MINISTER RETURNS--Buenos Aires, 17 Oct (TELAM)--Labor Minister Horacio Tomas Liendo today returned from Panama where he attended the inauguration of new Panamanian officials. [Buenos Aires TELAM in Spanish 1853 GMT 17 Oct 78 PY]

EQUIPMENT TO BOLIVIA--Telephone and telegraphic equipment which had been loaned previously to Bolivia's National Telecommunications Directorate, has been transferred to Bolivia permanently in accordance with provisions of the Salta Act on telecommunications between Argentina and Bolivia approved in June 1968, in order to provide the minimum facilities needed for telephone, telegraph and telex traffic between the two countries. [Buenos Aires Domestic Service in Spanish 1600 GMT 18 Oct 78 PY]

UOM TO JOIN CNT--Buenos Aires, 18 Oct (NA)--The secretaries general of the Metallurgical Workers Union (UOM) branches throughout the country have decided to join the National Labor Commission (CNT) and appointed La Matanza district leader Abdala Maluch as UOM representative on the CNT Executive Board. The decision was reached at a rather heated meeting held at UOM headquarters in Buenos Aires. The voting was 28 in favor, 25 against and 1 abstention. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 2000 GMT 18 Oct 78 PY]

SILVEIRA DISCUSSES ITAIPU, TALKS WITH ARGENTINA

PY200210Y Porto Alegre R dio Guaiba in Portuguese 2150 GMT 19 Oct 78 PY

[Text] Foz do Iguacu--Foreign Minister Azeredo da Silveira does not believe that the diversion of the Parana River will have a negative impact on the current Brazilian-Argentine negotiations, disregarding the possibility that Argentina may feel pressed in view of the fact that the diversion marks a stage in which Itaipu becomes completely irreversible.

On arriving here today, Azeredo da Silveira also said that Brazil may take the initiative of proposing a meeting of foreign ministers of Brazil, Argentina, and Paraguay if we find that there are conditions conducive to reaching an agreement to reconcile the Parana River hydroelectric projects. He also expressed his hope of reaching this agreement this year.

FOREIGN MINISTER'S LECTURE HITS PROTECIONISM

PY192007Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Oct 78 p 18 PY

[Excerpts] Industrialized countries are responsible for the creation of difficulties for the developing countries, beginning with the imposition of quotas, continuing with levying of countervailing taxes, and "going as far as the imposition of technical barriers through the adoption of national and even international technical norms." This is the opinion of Foreign Minister Azeredo da Silveira, expressed yesterday during the Industrial Technology Week [STI].

Minister Azeredo da Silveira could not attend the STI and so the lecture he was to give there was read by Itamaraty's Economic Department head, Carlos Proenca Augusto Rosa. The position taken by Minister Silveira is identical to those of Camilo Calazans, president of the Brazilian Coffee Institute; Laerte Setubal Filho, president of the Brazilian Exporter's Association; and Paulo Roberto Barbosa de Oliveira, president of the Brazilian Association of Cocoa Industries.

According to Minister Silveira, "Brazil, as an emerging power, will no longer consent to staying away from the decisionmaking process conducted by privileged countries which set down the rules on international trade. It no longer does this for the simple reason that, in the final analysis, our country is affected by such decisions."

Minister Silveira said that the commercial powers even now are resorting to international laws, such as the GATT law, to promote their exports just as "they resort to domestic legislation, backed by international laws frequently, if doing so is to their advantage." The minister believes that Brazil should seek, through negotiations, practical solutions for the problem implied in its dual status of being a developing country and an emergent commercial power at the same time.

The minister recognized that some sectors of the Brazilian industry need protection in the broadest sense of the word in order to overcome all kinds of structural deficiencies as far as technology, marketing and large scale production are concerned. He believes that even today the developed countries are providing assistance to their industry though measures on the international stage which "are directed against the interests of exporters from the developing countries." Another way in which technical barriers are set up by those countries, Minister Silveira said, is by the adoption of measures to protect the consumers' health and well-being or to protect the environment, "but which only serve to cause distortions in trade."

According to the president of the Brazilian Exporter's Association, Setubal Filho, one of the maneuvers used to keep Brazilian products off the U.S. market is "to require that each can of palm hearts should have a maximum acidity level of 4.6, something impossible to achieve in order to suit the tart taste of the Americans for our tasty product."

U.S. DECISION ON 'WAIVERS' SAID TO THREATEN TRADE WAR

PY201252Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Oct 78 p 19 PY

[Text] Brasilia--The U.S. Congress' decision not to extend the Treasury Department's authority to grant "waivers" will cause an impasse in the GATT [General Agreement on Tariffs and Trade] talks on the preparation of a code of subsidies. Consequently, it will unleash a real trade war among the United States, the European Economic Community (EEC) and Japan which will have a negative impact on Brazil.

This gloomy prediction was made ysterday by a top government official linked with the talks now underway in Geneva. He referred to an EEC telegram sent to the U.S. Treasury Department stating that the EEC will not negotiate the code with the United States "under pressure"--that is, if the U.S. Treasury Department's authorization to issue "waivers" is not extended.

This official believes that the existence [as published, presumably nonexistence] of "waivers" beginning January will flood the United States with demand for the imposition of surcharges on imports and, although the EEC and Japan will be most heavily affected, Brazil--with a small percentage of overall U.S. purchases--will also be affected.

He added: "The authority to issue 'waivers' is more valuable as a formality than as a practical measure, because it is rarely used. The thing is that in the United States hundreds of lawyers specialize in import surcharge cases, and sometimes even collect their fees on a percentage basis of the compensatory rights they are able to obtain from the Treasury Department. It should therefore be expected that the number of cases will increase so greatly that I even doubt that the Treasury Department will be able to cope with the demand."

MDB SENATOR QUERIES NUCLEBRAS CHIEF ON POLICY

PY200147Y Rio de Janeiro O GLOBO in Portuguese 18 Oct 78 p 20 PY

[Excerpts] Senator Dirceu Cardoso (Brazilian Democratic Movement--Espirito Santo), the main speaker at yesterday's debate, restricted himself to the political aspects of the nuclear agreement and program which were not the basic reasons for the creation of the Congressional Investigating Commission (CPI). He tried to find out from the president of NUCLEBRAS the reasons why the Brazilian Government had to abandon U.S. influence in the nuclear sector and become involved with another country which produces the same type of reactors.

For the senator, a self-confessed "pro-U.S." man, Brazil had always stuck with the United States and had suddenly abandoned its partner after having arranged with it the purchase of the first nuclear plant: Angra I. "What does this mean?" asked the senator.

The president of NUCLEBRAS went on to explain that when the Brazilian Government decided to use pressurized light water and enriched uranium reactors, it contacted not only the FRG but also the United States and France. The United States wanted to sell this technology, but excluding the fuel cycle, and this proposition did not interest Brazil.

As for France, its answer was delayed too long and lacked the precision which Brazil demanded. The other problem the French had was that they were not developing the technology necessary for 1,200 MW reactors.

The senator for Espirito Santo stressed the political aspect of the change of partners, asking whether this government decision had not led the United States to assume its current critical position toward the nuclear accord.

"It is obvious that Brazil's decision was not in line with U.S. interests since the United States believes that the fuel cycle should be strictly in the hands of the great powers," explained the president of NUCLEBRAS.

In response to the another question of Senator Dirceu Cardoso, NUCLEBRAS President Paulo Nogueira Baptista indicated that he refuses to accept the position that the change of partners would cause further political problems for Brazil.

The senator of the opposition party also expressed some doubts about the peaceful objectives of the nuclear accord, indicating that it is impossible to guarantee that it would not be used for military purposes in the near future, including the manufacturing of explosives (atom bombs). He also believes that if the country had to do it, it could engage in such manufacture without fear of arousing the displeasure of anyone, meaning the Americans.

Once again, the NUCLEBREAS president disagreed with the senators' contention, indicating that the nuclear accord has strictly civilian objectives and explaining that the uranium enrichment technology is not appropriate for the production of elements for nuclear devices.

The costs of imported technology necessary for the Brazilian nuclear program amounted to $522,950,011 by 30 September this year. Of this amount, only $47,121,152 was paid (sent abroad). This information was provided to the CPI by the Brazilian Central Bank and revealed last night by Senator Jarbas Passarino [National Renewal Alliance--Para]. These expenditures are related to contracts budgeted for by the National Institute of Industrial Property [INPI] in 1977.

Of the total amount spent, $185,829,201 belongs to NUCLEBRAS, which has already transferred $25,890,218; $309,120,000 belongs to FURNAS, which has already paid $17,002,600; and $28,000,810 belongs to suppliers of nuclear equipment and services, of which $4,229,334 has already been paid.

This information differs slightly from the data provided to the CPI by the president of INPI. According to him the total amount budgeted by the INPI for technology was $46.8 million [as published--presumably $468 million] of which $160 million was to cover NUCLEBRAS expenditures; $284 million for FURNAS; and $24 million for suppliers of services and equipment.

PHYSICIST TERMS FRG NUCLEAR DEAL ADVANTAGEOUS

PY192326Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 18 Oct 78 p 21 PY

[Text] Sao Paulo--"Brazil will be closer to building the atomic bomb with the technology acquired by the nuclear agreement signed with the FRG. The construction of an H-bomb, however, will be a political decision. But with our peaceful tradition, I think Brazil would rather have atomic energy for peaceful means."

This statement was made yesterday to journalists in Bauru [Sao Paulo State] by Prof Jose Julio Rosental, physicist and postgraduate in nuclear energy and director of the Nuclear Installations and Material Department of the National Nuclear Energy Commission. The professor went to Bauru to lecture at the War College Graduates Association [ADESG] on nuclear energy, development and security.

Rejecting criticism by scientists--including Prof Mario Schemberg--who say that "Brazil bought a load of junk," Professor Rosental asserted that the West Germans would not do business with the intention of losing money. "They are partners, bearing exactly half of the cost which totals $15 billion, and they would not invest all that money in old stuff. To have an idea of the significance of $15 billion, it is enough to say that the 10-year NASA space program, which ended with the arrival of man on the moon, spent less than that."

The professor explained: "Like Japan, the FRG cannot build atomic plants on its territory because they lost World War II. The FRG could only put its nuclear technology into practice on foreign territory, and Brazil also needs a partner with technology to develop a full cycle nuclear program. The FRG made an even deal which, if it comes through, will be good for both."

Rosental feels that Brazil opted for the best of the three possible options: "the first, would be buying the black box or the so-called 'package of projects' as it did with Westinghouse, in which the purchaser implements what is written, and we are unable to learn anything important. This is a characteristic of developed countries."

MDB'S BROSSARD ASSAILS NEW SECURITY LAW

PY200216Y Porto Alegre Radio Guaiba in Portuguese 2150 GMT 19 Oct 78 PY

[Text] Porto Alegre--"Just like the political reforms, the new national security draft law has minor changes but remains basically the same. Its author must have regarded all Brazilians as enemies of Brazil." This statement was made by MDB [Brazilian Democratic Movement] Senator Paulo Brossard, commenting on the national security draft law submitted by the Executive Branch to the National Congress.

Regarding the proposed elimination of the death penalty, Brossard said that the day this punishment is applied in Brazil it will cause the fall of the government which applies it, because the death penalty is not in keeping with Brazilian history.

Regarding life imprisonment--which is also eliminated in the new draft law--Brossard said that this punishment violates all universal principles of penal law. Brossard stated that the Superior Military Court has time and again expressed its opposition to stiff punishments.

Asked whether the opposition will propose any amendment to the national security draft law, Brossard noted that no amendment proposed by the MDB to Executive Branch proposals has been approved thus far. The MDB leader in the Senate chose not to reveal the position his party will take during the voting on this proposal, because he has not yet discussed it with his colleagues.

Brossard, who arrived here this afternoon, will stay in Rio Grande do Sul State until 15 November to participate in the MDB electoral campaign in that state. In his opinion, despite the opinion polls and the growing electoral corruption, MDB candidate Pedro Simon will win the senatorial seat.

BRIEFS

PORTELLA TO ROME--President Geisel has appointed Senator Petronic Portella as the Brazilian Government's special representative to the enthronement of Pope John Paul II. [Brasilia Domestic Service in Portuguese 2200 GMT 18 Oct 78 PY]

AMBASSADOR TO GUATEMALA--Brasilia, 17 Oct (AFP)--Antonio Carlos de Abreu e Silva has been appointed ambassador to Guatemala. He is the current ambassador to Haiti. [Paris AFP in Spanish 0120 GMT 18 Oct 78 PY]

CUBILLOS ENDS TALKS IN PRC WITH HUANG HUA

PY191415Y Santiago Chile Domestic Service in Spanish 1000 GMT 19 Oct 78 PY

[Text] Chile and the PRC have agreed to increase trade and to extend cooperation to other fields like the appointment of military attaches and study of a possible joint scientific program to be carried out in the Antarctic. These are the main achievements of the visit to Peking by the Chilean mission headed by Foreign Minister Hernan Cubillos. Cubillos ended his talks with his PRC colleague, Huang Hua, yesterday and will speak with Vice Premier Teng Hsiao-ping today in an unscheduled meeting.

During the meeting held in the residence which serves as the Chilean delegation's headquarters, Foreign Minister Huang Hua expressed his country's interest in purchasing from Chile up to 80,000 tons of copper a year. In exchange for this, Huang Hua proposed oil from the PRC. Huang Hua also announced that the PRC will continue to purchase sodium nitrate and cellulose from Chile. Furthermore the PRC minister reported that his country is considering the purchase of wood, but that this depends on freight costs.

Moreover, the PRC minister accepted an invitation to visit Chile. The date of this visit will be set in the near future. Huang Hua also confirmed a request made by a Chilean mission to visit Canton in April 1979. This mission will be headed by the Chilean economy minister and consist of Chilean businessmen.

In his long speech Foreign Minister Huang Hua praised Chilean economic development and added that he believes that Chile will soon receive better understanding from the international community. He said: This will happen when the Chilean people's support for their government becomes well-known. Huang Hua noted that Chile freed itself from Soviet-Cuban imperialism. Repeating the same terms he used the previous day, Huang Hua described Cuba as Moscow's agent and thug. Regarding the Soviet Union, Huang Hua stated that Russia never fulfills its commitments or its promises. It fears the powerful and attacks the weak. He said he believes that the eventual replacement of Leonid Brezhnev as head of the Soviet Government will not bring about any positive changes. Huang Hua said: This will be so because the policy of expansion and aggression of social imperialism does not depend on persons, but on the enforced social system. In this regard he charged Vietnam with being the Cuba of Asia. The PRC minister noted that through Vietnam the Soviet Union projects its presence into the Indian Ocean [as heard] and part of the Pacific Ocean to dispute the hegemony of this area with the United States.

The PRC foreign minister thanked Chile for its friendship and for President Pinochet's friendly gestures. He added that there was complete agreement during the meetings and that he appreciated Chile's constant charges against Cuba and its Soviet boss.

Commenting on his host's words, Foreign Minister Hernan Cubillos described Chile's international position and noted that Chile needs the aid and understanding of friendly nations like the PRC. The Chilean minister said: Our nation considers itself a member of the bloc of nonalined countries despite the Cuban push to establish closer contact with the nonalined countries group. He noted that his visit to the PRC enabled him to confirm the common identity between Chile and the PRC.

After his meeting today with Vice President Teng Hsiao-ping, Foreign Minister Cubillos and his entourage will tour the Great Wall during their last day in Peking on Friday. The Chilean mission will then start its tour to (?Nanking), Shanghai and Canton.

Details on Techical Accords

PY191926Y Santiago Chile Domestic Service in Spanish 1630 GMT 19 Oct 78 PY

[Text] Chile and the PRC today (?established) the basis for a mutual technical assistance agreement. This step is in addition to the important economic and diplomatic agreements which have been achieved.

In a meeting between National Planning Office [ODEPLAN] Director Roberto Kelly and the minister of economic relations with foreign countries, [Mrs Chen Mu-hua] it was agreed to exchange experts who will study the possibilities for technical assistance. Chile showed interest in the PRC's research in seismology, irrigation and rice farming, while the PRC seeks Chilean advice on copper exploitation. The respective parties will agree in the near future on an exchange program of experts and the possibilities of extending reciprocal assistance to other (?fields).

Chilean Foreign Minister Hernan Cubillos said that the Chilean-PRC dialog being carried out in Peking is extremely cordial and fruitful. Cubillos made this statement in a banquet he held in honor of Foreign Minister Huang Hua and other high-ranking PRC officials. Cubillos discussed several aspects of the international situation, such as the increase in bellicose activity by the Soviet bloc in Europe,[word indistinct] in the Middle East, the hegemonic Soviet policy in Africa, the situation of Southeast Asia and (?the balance) in international trade.

Answering Cubillos, Foreign Minister Huang Hua noted that Chile and the PRC have identical or similar points of view regarding some important international problems. He offered a toast in honor of President Augusto Pinochet and to the prosperity of Chile and the well-being of its people. PRC Vice Premier Teng Hsiao-ping sent cordial greetings to President Augusto Pinochet. The number two man in the PRC hierarchy held a 1 and 1/2 -hour meeting with Chilean Foreign Minister Hernan Cubillos and the Chilean delegation. The meeting was also attended by PRC Foreign Minister Huang Hua.

Teng Hsiao-ping was briefed in detail during the meeting about the Chilean-PRC diplomatic, trade and technical agreement. The PRC vice premier expressed to the Chilean delegation his desire [words indistinct] number of reciprocal visits of missions from the two countries. He noted that although the social systems of the two countries are different, this is not an obstacle to maintaining and expanding the existing cordial relations between the two countries. Teng Hsiao-ping said that the PRC will never intervene in the domestic affairs of another country, since it does not aspire to become a superpower.

During the meeting held in the Great Hall of the People in Peking, the PRC vice premier stressed the idea advanced by Foreign Minister Huang Hua of condemning the Soviet Union's expansionist and aggressive policy which, he noted, is leading to an almost inevitable war. He noted that the United States speaks a lot and does little, while the Soviet Union does a lot and speaks very little. Teng Hsiao-ping noted that the PRC is concerned about maintaining peace and that its present objective is the modernization of the country in four fields: agriculture, industry, defense and technology.

Finally he said he was pleased with the agreements between Chile and the PRC which were concluded this week. He praised Chile's economic and political development and noted that these developments will assure the unyielding support of the Chilean people for their government and international understanding for the Chilean situation.

Foreign Minister Cubillos said that Chile understands the PRC process and (?offered) cooperation in those areas which will help the modernization program undertaken by the (?PRC) regime. Cubillos added that Chile and its people appreciate the PRC Government's understanding [passage indistinct].

INCREASED MINING COOPERATION WITH ZAIRE NOTED

PY191418Y Santiago Chile Domestic Service in Spanish 1055 GMT 19 Oct 78 PY

["Rafael Pisainer Program" commentary, read by Carlos Prieto]

[Text] Chile will cooperate in the productive recovery of the large copper mines in Zaire which have been partially paralyzed after the frustrated invasion by Marxist guerrilla groups with Cuban support in Shaba Province. Chile is currently one of the largest producers of copper in the world and Zaire is the fifth. Zairian President Mobutu Sese Seko indicated that this year the country will be able to fulfill only half of its copper sale contracts due to the situation in which the mines were left after the bloody battles in this area. This problem has created a serious and delicate economic situation in this nation, a situation which can easily be exploited by the imperialist interests now intervening in Africa.

The Chilean Government, aware of its solidary role with the countries of the Third World, has offered Zaire its technological cooperation aimed at reactivating mining production in Shaba Province.

In order to carry out this project, two Zairian technicians who are high executives in the copper mines will arrive in Santiago next month. Also, the University of Chile will receive Zairian students next year for studies in engineering and mining technology. In order for the Zairians to improve their knowledge of Spanish a Chilean cultural center has already opened in Kinshasa, the Zairian capital.

The Chilean Government is particularly interested in strengthening its links with African countries without considering the ideological tendencies of their leaders and basing its relations on mutual respect and observation of the principle of the self-determination of peoples. This is the formula which will permit effective unity of the countries of the Third World to confront common problems.

The close links which are now uniting the governments of Santiago and Kinshasa are the first steps toward greater cooperation between Latin America and the new African nations, which possess the largest reserves of raw materials in the world.

INTERIOR MINISTER ANNOUNCES DISSOLUTION OF SEVEN UNIONS

PY200129Y Paris AFP in Spanish 0044 GMT 20 Oct 78 PY

[Text] Santiago, 19 Oct (AFP)--The Chilean military regime today ordered the dissolution of seven union organizations, which were accused of illegal association and of having a clearly Marxist orientation. Interior Minister Sergio Fernandez disclosed the decision tonight during a speech broadcast to the country over a radio and television network.

Fernandez did not specify which organizations would be affected by the measure, but union sources estimated that one of them could be the National Union Coordination Committee [Coordinadora Nacional Sindical], whose leaders represent 1 million Chilean workers. Minister Fernandez stated: "The government has decided to disband seven unions of a clearly Marxist orientation, which still are in existence, because of illegal association."

In Chile, Marxist groups were banned 5 years ago when the military ousted the government of the now deceased socialist president, Salvador Allende.

In his speech tonight, the minister of the interior also commented on the reestablishment of democratic institutions.

Warning Regarding Redemocratization

PY200136Y Paris AFP in Spanish 0109 GMT 20 Oct 78 PY

[Text] Santiago, 19 Oct (AFP)--The Chilean military government tonight warned that it would fully enforce the law against those who seek a return to the political structure of the previous institutionality. At the same time, the government denounced the action of two extreme political groups which want to alter the timetable outlined by the president, Gen Augusto Pinochet, with respect to the reestablishment of democratic normality.

In a speech broadcast to the nation by radio and television, Interior Minister Sergio Fernandez analyzed at length the foundations of what he called the new institutionality, specifying its future (?effects) on political, union and student life. Fernandez categorically rejected the reestablishment of the political mechanism which functioned in Chile until 5 years ago, when a military movement ousted the regime of the now deceased socialist President Salvador Allende.

The head of the Chilean cabinet warned: "Let it be known by those who seek a return to the political structure of the previous institutionality by taking part in actions designed to endanger the process, that the full force of the law will strike them."

In this regard, Sergio Fernandez referred to the copper mines of Chuquicamata, in the north of the country, where a state of siege had to be decreed and where over 50 mineworkers were arrested and charged with instigating a strike.

The minister reported the attempts by two extremist, although opposing, groups, to disrupt the course outlined by the president of the nation for the country's return to normal. Even though Sergio Fernandez did not identify these sectors, he said that the first of them is made up of traditional parties which want political elections, while the other sector is made up of those who confuse true nationalism with other doctrines alien to our way of being.

According to the minister, the latter want a strong authority and an arbitrary implementation of violence "in an attempt to establish a regime which would institutionalize simple strong-arm formulas.

"While the first group desires the reestablishment of classic democracy, the second rejects any form of democracy," Fernandez declared. The interior minister described the current military regime as something between the two and indicated that it will not be guilty of either haste or stagnation.

For the most part the minister's speech centered on the details of the new draft constitution which will strengthen presidential authority to protect it from undue parliamentary interferences. With regard to universities, Fernandez rejected the possibility of mass student elections, and with regard to the labor sector he indicated that in the next few days the government will announce measures to implement the new institutionality.

LEIGH ASSESSES DRAFT CONSTITUTION, SEES HIS OUSTER AS COUP

FY192145Y Santiago Chile Radio Mineria Network in Spanish 0930 GMT 19 Oct 78 FY

[Excerpts] Gen Gustavo Leigh, former commander of the Chilean Air Force [FACH], has described his dismissal from the FACH as a coup d'etat. General Leigh noted that 2 months before leaving the FACH he had been slandered and attacked without being given any opportunity to defend himself.

General Leigh was besieged yesterday by journalists as he was leaving a downtown Santiago notary's office. He noted that he had visited the notary to finish up details regarding a sworn statement about the property he had when he left his government post.

General Leigh was asked about certain references which President Augusto Pinochet had made in a speech regarding his removal.

The former FACH commander said he retired with a feeling in his heart toward the air force. He added, however, that he does not want to maintain contacts with the air force since it must obey its new institutional commander.

Asked whether he will continue to struggle for the principles which motivated his dismissal from the government junta, Gen Gustavo Leigh (Ret) stated:

[Begin Leigh recording] All of us who were active on that 11 September always carry within our hearts the principles of the government junta. (?and I wish to add) that despite the controls to which I am subjected--the control of telephones, control of my letters, the surveillance of my movements--that despite all this I will not change my position. [end recording]

Leigh stated that despite all this he was willing to cooperate in the establishment of deadlines for a transition period. He added: It is unthinkable that we will be able to return to a civilian government overnight. I have said this hundreds of times. We must think of a transition government, but one having specific rules of play, as in a constitution.

Leigh believes that we must know how this new constitution will be applied over this 6-year period and what effect it will have in the future. Leigh said that in any event he could not issue an opinion on the Ortuzar draft since he does not have complete details on it. General Leigh said that in this regard he knows exactly as much as any ordinary Chilean citizen knows. He also denied that he had any details about the Letelier case.

Gen Gustavo Leigh did not refuse to discuss his opinion about the present situation in Chile. He said that he does not believe the social sector is working well.

The former government junta member also discussed the situation in universities where several student sectors are requesting the return of university autonomy and the return to democracy. He said this request was natural because the university movement sooner or later will have to come out. The important thing, Leigh noted, is whether the government is able to lead it in a protective and open manner, but without limitations or restrictions.

Regarding his responsibility for the situation of the country during his presence in the government junta, Gen Gustavo Leigh stated that he will never avoid it.

He added that rather than regretting certain steps he had taken, he was frustrated at not having been able to change the direction of the government's policy. He stated: I expressed my points of view, but I was not heeded. Leigh stated: I do not seek merit or popular support. I am only interested in my country and my people; the rest does not count.

PDC LEADERS CALL FOR END TO DICTATORSHIP

PY191930Y Paris AFP in Spanish 1742 GMT 19 Oct 78 PY

[Text] Santiago, Chile, 19 Oct (AFP)--Leaders of the Chilean Christian Democratic Party [PDC] today called for the end of dictatorship and asked for a process of transition aimed at attaining democracy.

In an interview published here today by the weekly QUE PASA, the PDC leaders expressed their desire to reach a political agreement with centrist sectors, and ruled out any alliance with the proscribed Communist Party.

Leftist groups were proscribed in Chile 5 years ago after the military coup which overthrew the regime of socialist President Salvador Allende, while the PDC was dissolved by the government in March 1977. Nevertheless, QUE PASA stated in its report that there are 2,000 active PDC members working in the country.

Andres Zaldivar, who appears as the leading PDC representative, stated in the report that "we seek to convince the country of the need to urgently put an end to dictatorship and to begin a process of real transition aimed at attaining democracy."

Zaldivar said that the PDC is holding talks with social democrats and with democratic socialists, but asserted that "the Communist Party cannot be our ally."

Jaime Castillo, considered to be the main ideologist of the Chilean PDC, added that the objective of the transition is to advance toward democracy and not to support this dictatorship or to move toward another.

COURT REFUSAL TO DISCUSS LETELIER CASE CRITICIZED

PY191713Y Santiago Chile Radio Mineria Network in Spanish 0930 GMT 19 Oct 78 PY

[Station commentary]

[Text] It is interesting to note how the Letelier case is developing. Since this is a spectacular case, it is understandable that the press wants information. The public wants to know about it, particularly since it has not been fully explained how this case is going to be handled.

The Judicial Branch's recent attitude regarding information for the press has been annoying. This information is only intended for the public: When a reporter asks a question, he is not asking for himself.

You can call recall the time when the former president of the Supreme Court, Jose Maria Eyzaguirre, used harsh words to refer to reporters who besieged the U.S. assistant secretary for inter-American affairs, Terence Todman, and apologized to Todman for the reporter's insistence, saying that the reporters also had to make a living somehow. Terence Todman understood the situation and emphasized the importance of the press, stating that it was not annyoing to him--that on the contrary it was quite a pleasure for him to be in contact with reporters, because it was a way to be in contact with the people.

The new president of the Supreme Court, Israel Borquez, also had harsh words the day before yesterday when he was beseiged by reporters who--since Borquez had just interrogated Captain Fernandez Larios--wanted to know some *basic aspects of the Letelier* case. He reacted badly, asking not to be bothered. The position of the Judicial Branch regarding the press is regrettable, because ultimately the public gets its information through the press.

RELATIVES OF MISSING PERSONS STAGE NEW DEMONSTRATION

PY200026Y Paris AFP in Spanish 1721 GMT 19 Oct 78 PY

[Text] Santiago, Chile, 19 Oct (AFP)--Relatives of missing Chileans held a street demonstration here today demanding an answer from the government about the whereabouts of their relatives. During the demonstration, in which approximately 100 persons participated--mostly women--the demonstrators released a letter which they recently sent to President Augusto Pinochet.

According to the Chilean Catholic Church, the confirmed cases of citizens who disappeared after the 11 September 1973 military coup which overthrew socialist President Salvador Allende total 618, most of them leftists.

Relatives of the missing persons indicated in their letter to Pinochet that despite the countless petitions presented by the bishops and the cardinal, truthfully nothing has been done about them. They added that from the very first moment "we resorted to the courts in our country asking for protection. Habeas corpus has never been granted because of the government's refusal to admit the detention of the missing persons."

The letter then states that behind its formal resolutions, the judicial branch has shown sarcastic attitudes and an incredible refusal to use its authority, proving itself incapable of making a decision, nothwithstanding the evidence the judiciary has about the problem of the missing persons.

The relatives of the missing persons then expressed their categorical rejection of the law on presumed death as a solution to the problem.

They stated: "The seriousness of the problem of the missing persons demands only one solution: the truth."

Truth is not only possible for the government, it is essential, they concluded.

BRIEFS

AMBASSADORIAL APPOINTMENTS--The Foreign Ministry disclosed today that it has granted its approval of the appointment of the new French and Costa Rican ambassadors to Chile. The French representative will be (Emanuel de Giapot), and the Costa Rican ambassador will be Fernando Acosta Sandoval. [Santiago Chile Domestic Service in Spanish 1000 GMT 19 Oct 78 PY]

FOREIGN INVESTMENT FIGURES--Foreign investments this year exceed $1 billion, a figure which includes all the projects approved until August of this year. This figure involves more than 320 projects in which only the investor assumes any risk, and which are completely unrelated to the Chilean Government. The approved investment requests for the past 4 years total $2.5 billion. This figure is 2.5 times greater than the total amount invested by the government this year. [Santiago Chila Domestic Service in Spanish 1000 GMT 19 Oct 78 PY]

MINISTER OUTLINES ECONOMIC REACTIVATION PROGRAM

PA200324Y Paris AFP in Spanish 2314 GMT 19 Oct 78 PA

[Excerpts] Lima, 19 Oct (AFP)--Economy Minister Javier Silva Ruete said today that the formula to end Peru's economic crisis and attain quick and lasting growth must be based on a high rate of savings, a climate of confidence for investors and an expanding market. In presenting Peru's investment policy to a group of Peruvian investors, Silva said that the gross national product has suffered from continuous recessionary cycles in the last 3 decades, caused by the deficit in the balance of trade and the government budget and by the discrepancy between savings and reinvestment.

The minister stressed the efforts being made to cut inflation, attain a balanced government budget and reverse the deficit trend in the balance of payments through a policy of realistic exchange rates. He referred to these measures as ways to improve the country's rate of savings.

In conclusion, he said that in the next few days he will announce an economic program that will include features designed to reactivate the Peruvian economy within a short period.

Economic Policy Criticized

PY191605Y Buenos Aires REVIEW OF THE RIVER PLATE in English 11 Oct 78 p 571, 572 PY

[Presumed excerpt of item originally published in Lima ANDEAN REPORT for September 1978]

[Text] Officials say that the main approach to the refinancing operations will be to put off paying as much as possible of the government-to-government debt repayments, which generally carry lower interest rates, but postponing as little as possible of the commercial bank money, for which these days Peru will have to pay in the order of 13 percent a year in interest--libor [as published] plus 2 percent plus heavy commissions and front-end fees. They will also try to persuade the banks to accept the principle that the smaller the new loans, the lower should be the interest rate.

They are also telling bankers that the overall policy is for Peru to make an effort to pay as much as possible in the coming two years "otherwise we'll never get out of it. This is the time to pay, during a recession, otherwise you're just kidding yourself," says an official.

"The philosophy is based on two things. First we have to relieve the pressure of the balance of payments. But, second, we have to reduce the total amount of the debt. Peru has to recreate its borrowing capacity for productive purposes."

Presumably this is the kind of thing that bankers like to hear. But borrowing or refinancing around US$1.3 billion does not sound much like "reducing" anything (though of course US$184.5 million strictly speaking comes under the 1978 debt). The total amounts presently due to be paid out in 1979-80 as amortisation and interest on the public foreign debt are in excess of US$2 billion, of which over US$700 million is just interest and therefore unrefinanciable (though Turkey and Zaire have apparently tried to capitalize interest payments). Also, refinancing soft aid loans is regarded as something that can only decently be tried under extraordinary circumstances. The total left that is refinanciable--government-to-government and commercial bank loans--amounts to around US$1.120 million; US$600 million in 1979 and US$520 million in 1980. Of this total Peru seems to be aiming to refinance something over half (US$300 million apiece for government-to-government and commercial banks).

The top government officials responsible for making the refinancing negotiations are taking an optimistic, bullish line about their prospects. They maintain that Peru's finances are "under control--despite the overall mess," says an underling, and that the whole refinancial programme is logical and that the banks and creditor governments will accept it. They will be asking a "minimum" of seven-year terms from the banks--three years grace and four to pay. A prominent European banker in Lima agrees resignedly that "we're not taken in (by the smooth talk), but we'll probably have to accept it."

This same source emphasises, however, that it is clear that Peru has no economic development policy--as opposed to monetary control policies--and that this will be looked at askance by the bankers and perhaps even more by the governments, whose guarantees on loans are, of course, usually geared to the sale of equipment and services. However, he adds, the fact that few countries or banks "want another problem on their hands" means that Peru "may well get away with it." The fact that the United States Government also seems to be giving the Peruvian Government support, as a sign of its approval of moves towards democracy, is also been as something in Peru's favour, especially as far as the government-to-government leeding is concerned. This has already seen results, according to this analysis, in the comparatively bland conditions negotiated with the IMF and the possibility--Peruvian officials call it certainty--of the World Bank making a US 100 million "programme loan" in February or March next year.

But some banking consultants and economists take a completely different view. They say that there is little likelihood of the banks, and the creditor government, coming up with medium-term loans for Peru in the foreseable future and that the most that can be expected is a series of tightly-controlled roll-overs.

This analysis says that there is no reason for the banks to commit themselves to further seven-year money, and every reason for them not to, because on the past three occasions when they have provided medium-term balance of payments loans "they've been badly burned every single time." This view says that the banks perceive that Peru "still has the same government" with the same defects that have pushed the country into the current depression. Therefore the banks will be looking for some system--one that was not found earlier this year--which will keep the government on a tight rein, with the IMF's three-monthly check-ups ensuring that Peru keeps to its promised austerity plan. "But at the moment no one realises that this is a two-and-half year programme. There's not a real commitment from the government to see it right through," says one of the consultants.

The same source says that giving Peru seven-year money could allow the government to bow to local pressures, as it has done in the past, to increase food and gasoline subsidies and purchase more armaments (two years ago, just as bankers in New York approved the basis of a series of US$400 million balance of payments loans, it was discovered that Peru was buying a fleet of Russian warplanes).

Some sources say there are indications that already, despite the prestige gained in the past four months by the Central Bank for careful financial control, the government's heart is not truly committed to austerity. A prominent industrial company, for instance, may soon have state-granted loans capitalised as a means of keeping the company afloat. Bankers confirm that the Central Bank has told them that "special" problems will be dealt with "on a case-by-case basis."

The government's surrender to strike and other threats by civil servants is also cited as a sign that the authorities are not prepared to force through the implications of a severe recession--and gain the benefits from it, like cutting into the fierce inflation rate, for instance. Also, the price of gasoline was due to go up s/.15-20 gallon in early September (a move now promised for "before the end of the month.") Government people say, however, that this kind of non-doctrinaire approach to austerity is politically realistic.

The question of how foreign bankers and governments will treat Peru's loan requests is clearly open to debate. What seems certain, however, is the emptiness of the government's uninspired efforts so far to produce anything resembling an economic development policy or programme. This has caused immediate problems, for instance, for the World Bank team working in Lima on the details of the proposed US$100 million "programme loan," the conditions of which demand that some kind of economic policy be produced.

The kind of efforts made so far have, however, worried more people than they have comforted. For instance, a preliminary "economic reactivation programme" produced by the Ministry of Finance, is little more than a mixture of the obvious, the zany and the mindless. Its clearest statement establishes the top priorities as agriculture, exports, mining and energy, in that order. But otherwise its main features include: a "seeds law"; the "restructuring" of Petro-Peru's debt over 15 years; the "rational use" of Peru's vicuna resources; a programme of mini-hydroelectric plants; an "analysis of Electroperu"; "betterment of the diet of the Peruvian consumer"; the "pragmatic implementation of the concept of zero-based budgeting"; "priority for the export of small lobsters"; the "obligatory payment by cheque"; and a series of other ideas apparently drawn out of an old planning institute hat. Economists say that although many of these projects may have merit, they fall so far short of a development programme that it is clear that no such thing is likely to be produced, much less anything new.

Political events regularly confirm this impression. In the latest series of developments four ministers, among them Gabriel Lanata, minister of industry, were suddenly replaced by another faceless group of serving officers. Lanata, managing director of the Pilsen Brewery, and appointed minister only four months ago, had conspicuously failed to produce any positive contribution, but many bankers and politicians were disappointed that no new civilians were brought into the cabinet. Besides the Ministry of Industries (which includes the departments of Commerce, Integration and Tourism), new ministers were appointed to housing, education and health.

'VICTORIANO LORENZO' SANDINIST BRIGADE TRAINING IN PESE

PA181533Y Panama City LA REPUBLICA in Spanish 16 Oct 78 p 6a PA

[From "Glosas Vespertinas" column]

[Text] We were called very early this morning from the countryside and informed that Commandant Hugo and the members of the Victoriano Lorenzo Brigade are training in "Los Chicharrones," a large farm near La Arena and Pese district.

Further Report

PA191927Y Panama City CRITICA in Spanish 19 Oct 78 p 8 PA

[Article by Antonio Graell]

[Text] Nicaragua, 19 Oct--Monkeys, snakes and buzzards have been the main fare of the Panamanians who compose the Victoriano Lorenzo Sandinist Brigade which has been undergoing military training during the past 20 days. Eden Pastora, Commander Cero, has promised Dr Hugo Espadafora and Jorge Aparicio, leaders of the Panamanian brigade, that the brigade's food will improve. The members of the Brigade have demonstrated they have the high morale and discipline of combatants.

Meanwhile, some incursions are already taking place in Nicaraguan territory resulting in casualties for Gen Anastasio Somoza's army. These incursions by the Sandinist Front can be described as feelers for the announced attack called the "great offensive." The Panamanian Victoriano Lorenzo Brigade will play an important role in that offensive. With this offensive the Sandinist National Liberation Front hopes to end the Somoza regime once and for all and establish a popular democratic government in Nicaragua. The attack will be launched at any moment.

NONNEGOTIABLE SALARY OFFER PRESENTED TO TEACHERS

PA200204Y [Editorial report PA] Panama City Domestic Service in Spanish at 2328 GMT on 19 October becomes a national network to broadcast the views of the Panamanian Government economic team--composed of Finance Minister Ernesto Perez Balladares, Planning and Economic Policy Minister Gustavo Gonzalez and Education Minister Gustavo Garcia de Paredes--on the current teachers' strike and the government salary policy.

Finance Minister Balladares begins his 16-minute presentation by expounding upon the nation's economy, its problems and the solutions envisaged for the benefit of all Panamanians. Interpreting economic growth rates of rates of 0, 2 and 2.7 percent in the years 1976, 1977 and 1978, respectively, in terms of per capita income, Balladares explains that in real terms Panamanian income has suffered for the past 3 years. For 1979, however, he foresees a growth rate of 4.5 to 5 percent. He goes on to cite as causes of this negative phenomenon the 20 percent inflation in the past 3 years, declining business activity and stagnant government revenues measures in real terms. Despite this, he says, the national government has made considerable investments in public health, housing, education and other social fields, noting particularly an 86.4 percent increase in the number of students, 790 new schools, and an increased number of teachers since 1968. Parenthetically, he observes that the teacher-student radio has remained constant throughout this period.

Balladares then explains that government expenditure must be balanced by revenue or otherwise the government would be forced to reduce public spending or increase taxes. In order to provide capital for projects which generate needed revenue, Balladares says the government has obtained loans.

Also, the government has enacted an emergency plan creating 20,000 jobs to alleviate the unemployment situation. But the economy, according to Balladares, has not revived as fast as the government thought it would, and the emergency plan, which was originally scheduled as a 3-month interim measure, is now over a year old and draining some 25 million balboas in government funds.

Turning to salary increases, Balladares concludes: "During the 5 working days of President Royo's administration we have made the necessary studies and reviewed the estimated central government revenue without increasing the tax load. We have, as much as possible, cut down expenses and reached the conclusion that a serious austerity effort in public spending will not allow us to allocate more than $24 million per annum for salary increases. In order to be able to increase this maximum figure, estimated at $24 million per annum, we would have to take one or more of the following measures:

"1. An increase in income tax.
"2. An increase in the sales tax; possibly from 5 percent to 8 and perhaps 10 percent.
"3. Total and immediate elimination of the emergency plan.
"4. Elimination of subsidies for the staple goods of Panamanians such as rice and milk.

"We believe that under the existing economic conditions it would be extremely irresponsible to take any measures to meet the teachers' demands."

Planning Minister Gonzalez then discusses the consequences of the teachers' demands on the economy in a 9-minute discourse. Reviewing the teachers' demands, Gonzalez states that their impact on the economy would be considerable. If the salary demands alone are considered, the cost would be more than 33 million balboas, and if new schools and teachers were added, the total cost would reach 43.7 million balboas--equal to three-fourths of all funds available for all government operations for 1979. Gonzalez asserts that during the past 10 years the government has met the teachers' demands, raised their salaries, and provided job security. The government has raised teachers' salaries 24 percent in the past 5 years, Gonzalez claims, which means that they have been protected from inflation. The government has looked upon the teachers' salary demands sympathetically, but Gonzalez cautions that an irresponsible increase would not be wise because the government has to devise a salary policy for all government employees that accords with economic conditions. Thus, the government must ask the teachers to withdraw their demands, Gonzalez says, concluding:

"During the three cabinet meetings on finding the most just, responsible and realistic solution to the teachers' demands and trying to establish the best social atmosphere for the economic development which our country needs so much, a $40 per month salary increase for the teachers was approved. This should to a great extent meet their just demands for a just sharing of the country's wealth. This recognition is public testimony to the special consideration and respect which this administration has for the unselfish profession which makes possible the formation of the greatest wealth in the country--our human resources.

"In order that the rest of the government employees in this country, and especially those with more limited income, can safeguard their own financial situation and balance their way of life within limitations affecting the government at this time, employees earning less than 300 balboas a month will be given a 30 balboa increase per month, excepting those who have received salary increases during the present year.

"This increase will be made effective starting January 1, 1979. This fulfills the promise made to the people by Gen Omar Torrijos Herrera last August that government employees would have a salary policy consistent with their needs and also in accordance with the true fiscal and economic situation of the country."

Education Minister Garcia de Paredes, speaking for 7 minutes, recounts the efforts made by the cabinet to settle the teachers' dispute. After compiling all the needed information, the cabinet sought to grant the highest increase possible without imposing additional taxes. He announced that the government has made its highest offer and that "this figure, as is the case sometimes, cannot be negotiated. It is the utmost we can give without increasing taxes or the cost of living. It is important that the people realize this."

In regard to nonmonetary demands, he says they are of "an academic nature which affect the life and career of teachers. It is said that the granting of jobs on a competitive basis has been eliminated, that the teachers must give compulsory services every 4 years during their vacations in so-called (?refresher) courses. It is said that a series of problems exist because the law which regulates the Education Ministry and its employees has become obsolete and must be updated.

"We have studied these complaints and believe they are to a great extent justified. We are going to accept them and put them down in writing during the coming week. We shall accept everything that is just and will improve the situation of the teachers and students who constitute the main reason for education."

Garcia then voices his belief that the teachers will respond positively and appeals to them to return to work. The national network concludes at 2400 GMT on 19 October.

Teachers Reject Government Offer

PA200219Y Panama City Radio Mia Network in Spanish 0110 GMT 20 Oct 78 PA

[Text] [Announcer] We have here a large number of teachers whose leaders will use our microphones. They will identify themselves so their colleagues will know who is present here and then read a communique. Professor Guillermo Bermudez, educational affairs secretary of the Teacher's Association, will read it.

[Guillermo Bermudez] In view of the government's reply, which does not meet the Panamanian teachers' demands, we, the teachers, agreed this afternoon during a general assembly held at the Republic of Venezuela School at 1700, to continue the strike in all schools throughout the country. We shall not turn in grades and will remain on a permanent state of alert until our just demands are met.

We appeal to parents to keep their children at home since our struggle is just and will also benefit the parents and students. The teachers will continue to meet at the Republic of Venezuela School tomorrow starting at 0700. We ask all teachers, who so far have shown a high degree of civic awareness in all our demonstrations, to return to their homes in an orderly manner and await the victory which will be ours. Thank you.

BRIEFS

INCREASED INVESTMENT CAPITAL--Georgina de Perez, director general of commerce, has reported that the total declared capital invested in new business or in the expansion of already existing enterprises increased by $4 million in the first 6 months of this year in comparison with the same period in 1977. The official said that there had been a slow but sustained growth of some $100,000 monthly, reaching a net increase in capital of $18.9 million. Commerce Ministry sources also reported that the declared capital invested in the new enterprises requesting operating licenses totalled $8.8 in the 3 months following the ratification of the Panama Canal Treaty. [Panama City Televisora Nacional in Spanish 2315 GMT 18 Oct 78 PA]

COSTA RICA

CENTRAL AMERICAN ECONOMY MINISTERS TO MEET IN SAN JOSE

PA191855Y San Jose Radio Reloj in Spanish 1730 GMT 19 Oct 78 PA

[Text] The Central American economy ministers will hold a meeting in San Jose on 2 to 4 November. The agenda of the meeting at the Costa Rican Central Bank deals with specific subjects of the common market, including analysis of the situation in sensitive economic sectors, problems of reorganization of the common market and new prices for sodium hydroxide.

CODESA EXECUTIVE PRESIDENT RICHARD BECK RESIGNS

PA191517Y San Jose Radio Reloj in Spanish 1200 GMT 19 Oct 78 PA

[Text] Richard Beck, executive president of Development Corporation Incorporated (CODESA), has resigned. There have been no fewer than 30 dismissals in CODESA. Trusted officials have been dismissed. Deputies have asked Richard Beck to render accounts, and it has been reported that relations with the Calderonist bloc are cordial. Richard Beck has thus become the first Carazo Odio administration official to resign. Political circles contend that there have been clashes between the Calderonist bloc and the official as a result of the recent dismissals at CODESA.

Richard Beck sent his resignation letter to the president of the republic on 9 October and it was received on 11 October. It is irrevocable as of 1 January 1979. As you well know, Beck said, my acceptance of the post was conditional on a short 3- or 4-month trial run. In spite of that, in order to carry out the goals which we had jointly set out for ourselves, I remained in office for 8 months, including the time I have left, part of Richard Beck's resignation letter to the president says.

The executive president of CODESA adduced personal and unavoidable professional reasons for resigning. Beck will report to President Carazo on his work as executive president. He added that his resignation does not mean that he will definitely separate himself from the institution and that it is its short-term operation as a technically perfect development bank. [sentence as heard] Until then, he said, I will be available to you for anything. Then he thanked the president and the council of government for having placed their trust in him.

GUATEMALA

SECRET ANTICOMMUNIST ARMY THREATENS OFFICIALS

PA191511Y Panama City ACAN in Spanish 0345 GMT 19 Oct 78 PA

[Text] Guatemala City, 18 Oct (ACAN-EFE)--The clandestine "Secret Anticommunist Army" (ESA) announced today that it has tried and sentenced to death 2 cabinet ministers, the chief of police, and 37 Guatemalan labor, university, political and leftist leaders.

In a third press bulletin sent to newspapers, ESA reiterates its determination to fight "international communism to the death." It adds that it will also fight against Guatemalan Government officials for having quelled the recent street demonstrations to protest the increase in urban bus fares. According to the press bulletin, ESA will soon execute National Defense Minister Otto Spiegeler and Government Minister Donaldo Alvarez Ruiz, as well as National Police Director Col German Chupina.

Included among the other 37 persons sentenced to death are Saul Osorio Paz, rector of the National University of San Carlos, and labor leaders Miguel Angel Albizures and Marco Antonio Blanco.

RENEWAL OF 'DEATH SQUAD' ACTIVITIES REPORTED

PA191953Y Panama City ACAN in Spanish 1647 GMT 19 Oct 78 PA

[Text] Guatemala City, 19 Oct (ACAN-EFE)--Guatemalan police reported here today that a "death squad" has begun operating in the country again. It was reported that wounded and tortured bodies are being found daily on the outskirts of the metropolitan area and neighboring townships, proof that the "death squad" has resumed activities. Intensive investigations are underway. According to police, almost all the bodies which have appeared in the past few days bearing signs of abuse and [words indistinct] coup de grace belong to [words indistinct] and repeat offenders.

On the other hand, police blamed armed underground extremist organizations for the recent attempts on the lives of two professors of the National University of San Carlos. The two professors fired at by unidentified individuals are teachers of agrarian law and advisers to union and peasant organizations.

HONDURAS

CUBAN, HONDURAN ARRESTED FOR ARMS SALES TO FSLN

PA191205Y Buenos Aires LATIN in Spanish 0037 GMT 19 Oct 78 PA

[Text] Tegucigalpa, 18 Oct (LATIN)--Felix Canina, Cuban, and Ruben Beltran, Honduran, were captured several days ago in the city of Danli, in eastern Honduras, approximately 100 km from Tegucigalpa, and charged by the police with selling arms to the Nicaraguan Sandinist National Liberation Front (FSLN). Canina and Beltran were arrested in Danli following investigations by several Department of National Investigations (DIN) agents. They were then transferred to Tegucigalpa, where investigations into the arms sales will continue.

35 NICARAGUANS ARRESTED IN GUERRILLA CAMP

PA191436Y Buenos Aires LATIN in Spanish 0450 GMT 19 Oct 78 PA

[Text] Tegucigalpa, 18 Oct (LATIN)--It was reported here officially today that 35 Nicaraguan citizens have been arrested by security forces after being found in a military training camp in San Juan de Flores, Francisco Morazan Department, 60 km from Tegucigalpa.

Government spokesman German Allan Padgett told LATIN that the camp was found on a farm belonging to Conrado Napky, well-known leader of the Liberal Party's Rodista wing. Padgett added that security forces did not meet any resistance by those arrested and that the operation was carried out without incident. The government spokesman noted that investigations had started to establish if the training camp was operating with the knowledge and authorization of the farm owner. He also said that investigations will determine if the arrested Nicaraguans had the help of Hondurans in their activities. "Undoubtedly, these persons had to have local connections. It is impossible to believe that they were able to set up an operations camp so far inside Honduran territory, far from the Nicaraguan border, without the assistance of Hondurans," Padgett explained.

The official spokesman refused to reveal the place where the 35 arrested Nicaraguans are or when the military intelligence service detected the existence of the camp.

He pointed out, however, that the camp "could be the same one referred to by a U.S. newswoman who published several reports in the Washington POST." The spokesman said in conclusion that investigations underway would determine the degree of criminal responsibility of those involved and, based on this, they would be penalized under measures provided by Honduran law in such cases.

NICARAGUA

NEW VIOLENCE OCCURS IN DIFFERENT PARTS OF COUNTRY

PA200226Y Paris AFP in Spanish 0037 GMT 20 Oct 78 PA

[Text] Managua, 19 Oct (AFP)--It was announced here today that new outbreaks of rebellion occurred in the last few hours in different parts of the country, especially in Leon, Masaya and Jinotega. Press reports revealed today that two civilians, including agronomist Roger Rivera Herrera, were killed in an armed clash with the army in the vicinity of Jinotega, 150 km north of Managua.

Col Simon Gonzalez, military commander of Leon, 90 km west of Managua, today confirmed that shooting had occurred in different parts of the city, which was the scene of bloody fighting during the September civil war.

Carlos Dubon, director of the internal revenue office, announced that strong army contingents will be posted in November, December and January to protect the harvests of cotton and coffee, which are vital for the country's economy. Their mission will be to prevent sabotage by the Sandinist Front, he said. A statement made by Dubon to the effect that the government would obtain $70 million from new taxes decreed a short time before the September war is considered optimistic and exaggerated by private economists who consider commercial activities seriously depressed.

A military court which is investigating the September incidents released 30 suspects today because they are considered innocent. However, relatives of many prisoners in several cities continue seeking their release.

DECLINE IN GOVERNMENT REVENUES REVEALED

PA191200Y Panama City ACAN in Spanish 0243 GMT 19 Oct 78 PA

[Text] Managua, 18 Oct (ACAN-EFE)--The Nicaraguan Government's customs revenue decreased by 38.4 million cordobas ($5.4 million) in September, compared with the same period last year. The reduction was the result of political-military confrontations between government forces and guerrilla groups of the Sandinist National Liberation Front (FSLN) in six cities of the republic.

Official figures released to ACAN-EFE today, Wednesday, indicate that while the general customs office received 48 million cordobas ($6.8 million) in September 1977, it collected only 17 million cordobas ($2.4 Million) in September of this year. From January to September 1977, customs revenue totaled 425.5 million cordobas (60.8 million), while in the same period in 1978 such revenue was 385.1 million cordobas ($55 million). Revenue has been declining since June, when the internal (?conflict) intensified.

The same figures revealed that from January to September 1977 88.9 million cordobas ($12.7 million) was collected in selective consumer taxes, while in 1978 the figures dropped to 78.9 million cordobas ($11.2 million), a decrease of 10 million cordobas ($4 million). [figure as received]

A comparison of sales taxes of 6 and 8 percent reveals that in 1977 31 million cordobas ($4.4 million) in such taxes were collected as against 28.4 million cordobas ($4 million) for the same 9-month period in 1978, a drop of 2.6 million cordobas (some $372,156).

POLITICAL REFUGEES DEPART FOR MEXICO CITY

PA191914Y Panama City ACAN in Spanish 1744 GMT 19 Oct 78 PA

[Text] Managua, 19 Oct (ACAN-EFE)--Fifty Nicaraguan citizens of both sexes who had taken asylum in the Mexican Embassy in Managua for political reasons left today, Thursday, for Mexico. They departed at 0830 (1430 GMT) aboard a regular TACA International flight and were accompanied to the airport by Mexican Charge d'Affaires Iruega. Many relatives of of the refugees took part in emotional farewells.

At the Mexican Embassy, located in the exclusive "Las Colinas" residential district in southern Managua, there are still 10 refugees left who have not received documents to leave the country. One of these is a National Guard officer and another is Miss Lidia Astorga, sister of economist Nora Astorga de Jenkins, who was involved in the murder of Gen Reynaldo Perez Vega, adjutant of the National Guard, who was shot by guerrillas in her home last March.

The Nicaraguan Foreign Ministry is reviewing requests for safe-conducts for over 100 refugees in the Venezuelan Embassy and of other opponents to the Somoza regime who sought asylum in the embassies of Ecuador, Panama, Honduras, Costa Rica, the Dominican Republic, Colombia and El Salvador.

CONSERVATIVE PARTY LEADERS MEET WITH ARCHBISHOP

PA192009Y Panama City ACAN in Spanish 1805 GMT 19 Oct 78 PA

[Excerpt] Managua, 19 Oct (ACAN-EFE)--The Nicaraguan Conservative Party (minority party legally recognized by the government) yesterday assured Managua Archbishop Msgr Miguel Obando y Bravo that the party's decisions will be within the framework of resolutions adopted by the Broad Opposition Front (FAO). The Conservative Party is in the phase of consolidating the opposition, acting Party President Alvaro Chamorro Mora said. The opposition party participates in the current government along with the ruling Nationalist Liberal Party (PLN). The Conservative national leadership conferred with the Managua archbishop during a "courtesy meeting" to exchange opinions and views on Nicaragua's current situation.

BRIEFS

BELIZEAN DELEGATION TO VENEZUELA--Two Agriculture Ministry officials today left Belize on a visit to Venezuela at the invitation of the Venezuelan Government. It will be recalled that early in September of this year Venezuelan agricultural officials visited Belize and held discussions with Minister of Agriculture Florencio Marin and other officials of his ministry on ways and means of fostering cooperation between Belize and Venezuela. At that time it was decided that a team from Belize would visit Venezuela to hold discussions on prospects for cooperation between the two countries. The two officials will spend almost 1 week in Venezuela. [Belize City Domestic Service in English 0100 GMT 20 Oct 78 FL]

HAVANA COMMENTS ON CASTRO NEWS CONFERENCE WITH EXILES

PA191250Y Havana International Service 0000 GMT 19 Oct 78 PA

[Text] At the beginning of September the chief of the Cuban revolution, Fidel Castro, held a lengthy news conference in Havana with a group of Cuban newsmen who write for the Cuban community abroad and several U.S. newsmen. On that occasion one of the newsmen said that a diplomatic source in Havana had indicated that the release of political prisoners had been a gesture toward President Carter and his human rights policy. Was President Castro in agreement with this idea?

Fidel replied to the question: I cannot agree with that idea. The U.S. Government could have had some indirect influence in the matter, not because of its verbal policy on human rights but undoubtedly because this administration halted the policy of supporting terrorist and counterrevolutionary activities against Cuba. That policy created conditions which allowed us to take some steps. It is in this respect that we can speak of a certain U.S. influence on our attitude because, naturally, we could not think otherwise so long as there was a policy of supporting terrorism and counterrevolution by the U.S. Government atainst our country. Today that policy no longer exists. The blockade is maintained as well as other hostile policies. Other things are maintained, such as espionage and CIA activities, but we cannot say that the U.S. Government is now supporting terrorism and counterrevolutionary actions against Cuba. I think, Fidel added, that this did influence him.

When another newsman asked Fidel when Cuban exiles would be allowed to return to Cuba and visit their families, the Cuban leader said that first one would have to ask if the exiles want to return to Cuba, if the proper conditions exist in Cuba. If we can guarantee housing for those who return; in other words, this presents some material problems.

The newsman further refined his question: I mean to visit their relatives and not to the return to Cuba permanently. Fidel than said: I think this is part of the group of problems which can interest the Cuban community abroad. It is among the problems which we can think about, analyze and discuss.

In regard to these statements made during the news conference held by the president of Cuban Council of State with newsmen who write for the Cuban community abroad and some U.S. newsmen, a rash of articles, declarations and messages followed in U.S. cities where most of the exiles live, as well as in Caracas, Mexico City, San Juan, Puerto Rico and Madrid.

In Mexico, three members of the Cuban community a few hours ago expressed their support for the dialog proposed by the top Cuban leader. One of them, sociologist Roberto Herrera, said that any obstacle which the agents of terrorism may try to place in the way of the proposed dialog will be overcome by the majority opinion of the Cuban community abroad. As proof of the intensive desire of Cubans in Mexico and other countries to visit their country, he mentioned the support given some months ago to the 11th World Youth and Student Festival held in Havana. Herrera's words agree with those of many Cubans abroad who want to maintain ties with their country and have a better knowledge of the revolutionary process. Why is it that those who have visited Cuba have changed the mistaken ideas they had formed as a result of a long and intensive campaign of slander and defamation waged abroad?

JULIAN RIZO ALVAREZ CHAIRS MEETING ON CANE MECHANIZATION

FL191735Y Matanzas Domestic Service in Spanish 1700 GMT 19 Oct 78 FL

[Text] Julian Rizo Alvarez, party first secretary in Matanzas Province and member of the PCC Central Committee, yesterday presided at the first provincial plenum on sugarcane harvest mechanization held in Colon.

More than 400 workers from the 17 enterprises of the province's sugar industry participated in the meeting. More than 200 agreements governing all aspects of mechanization of sugarcane agriculture and work centers were adopted.

The workers who will participate in the mechanized cutting of the cane in the next sugar harvest agreed to intensify their efforts to cut 500 million arrobas, which represents 69.5 percent of the 719 million arrobas to be ground. In his closing remarks Julian Rizo hailed the intitiative of holding the plenum, which was sponsored by the Agriculture Ministry and the livestock-agricultural workers trade union, and praised the discussion of positive experiences and the examination conducted for the purpose of resolving the deficiencies experienced in previous harvests. Likewise, he noted the agreements aimed at increasing the level of planned mechanization.

In closing, the provincial party leader stated that Matanzas' next harvest will be big and difficult, and added that the party has confidence in the workers who will participate in it, stressing that the difficulties will be met head-on and overcome.

CAPITALIST COUNTRIES SAID TO BLOCK DEVELOPMENT SOLUTIONS

FL191940Y Havana Domestic Service in Spanish 1904 GMT 19 Oct 78 FL

[Text] Cuba has accused the developed capitalist countries of blocking the adoption of vital solutions to the most urgent problems of the developing countries at the principal international organizations and economic conferences.

In a speech at the UN General Assembly, which is examining the subject of economic cooperation and development, Cuban delegate Ernesto Lopez Paz said that the response to the dialog proposed by underdeveloped countries has clashed with the barrier imposed by developed capitalist countries. Lopez Paz stressed that the United Nations system is the only one that guarantees equal participation of all countries or groups interested in any negotiating process on economic matters. That is why, he added, we believe that the plenary committee [as heard] is the negotiating organ which must take over the debates that have failed so far or those which so far have been extremely slow.

U.S. CONTROL OF PUERTO RICAN ECONOMY CHARGED

FL191921lY Havana Domestic Service in Spanish 1100 GMT 19 Oct 78 FL

[Text] Yesterday Cuba stated that the subjection of the Puerto Rican economy to the interests of North American corporations creates a dependency which hinders solving the national problems of the Caribbean island. Miguel Alvarez, Cuban delegate to the [UN] decolonization committee, has stated that the United States controls 80 percent of the enterprises in Puerto Rico, which for the most part work to export for Washington, its metropolis.

RAFAEL RODRIGUEZ MEETS WITH MOZAMBICAN DELEGATION

FL191124Y Havana Domestic Service in Spanish 1100 GMT 19 Oct 78 FL

[Text] Carlos Rafael Rodriguez, member of the PCC Politburo and vice president of the Councils of State and Ministers, has received at Jose Marti airport Sergio Vieira, minister governor of the Bank of Mozambique, who is also chief of the FRELIMO Department of Defense and Security. Sergio Vieira is visiting Cuba to exchange opinions on the current international situation.

Castro Meets With Vieira

FL191221Y Havana Domestic Service in Spanish 1145 GMT 19 Oct 78 FL

[Text] Our Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Government, has met with Sergio Vieira, member of the FRELIMO Central Committee and Council of Ministers and governor of the National Bank of the People's Republic of Mozambique. The meeting was held in a fraternal and friendly atmosphere and was attended by Carlos Rafael Rodriguez, member of our party's Politburo and vice president of the Councils of State and Ministers.

CTC LEADER ADDRESSES WFTU MEETING IN NICOSIA, CYPRUS

FL192145Y Havana Domestic Service in Spanish 2132 GMT 19 Oct 78 FL

[Text] Jesus Escandel, chief of the Cuban delegation to the 19th meeting of the WFTU bureau, has stressed the need for strengthening solidarity with the Nicaraguan workers and people. In a speech at the meeting the executive secretary of the Central Organization of Cuban Workers [CTC] also expressed support for the special report read by WFTU bureau Assistant Secretary Ibrahim Zacarias, who called for increased solidarity with the African workers and peoples, particularly those of Namibia, Zimbabwe and South Africa.

Escandel stressed the importance of the declarations of the ninth congress held in Prague which, he said, are documents of great importance for the protection and defense of the legitimate rights of workers in the struggle against monopolies and imperialism. Attending the meeting being held in Nicosia, Cyprus, are representatives of the USSR, Vietnam and other countries.

In closing, the chief of the Cuban delegation reported on preparations being made in Cuba for the 14th CTC congress, which will meet from 28 November to 2 December of this year. Jesus Escandel granted an interview to Nicosia radio in which he referred to the preparations for the CTC congress and its main objectives. Escandel also discussed the solidarity that the congress will offer to the workers who, in America and other parts of world, are struggling for freedom and social progress. He also referred to the situation of the Guatemalan workers and people and the Chinese provocations and aggressions against the heroic Vietnamese people.

USSR DEPUTY MINISTER VISITS CULTURE MINISTRY OFFICE

FL192022Y Havana Domestic Service in Spanish 2007 GMT 19 Oct 78 FL

[Text] USSR First Deputy Culture Minister Yuriy Barabash has paid a visit to the main offices of the Culture Ministry's Technical Advisory Council in Miramar. The distinguished visitor was received by council director Julio Garcia Espinosa, who briefed him on the functions of the Technical Advisory Council.

For his part, Yuriy Barabash explained that arts scientific research work is very important and stated that there are 77 higher arts education centers in the USSR. He pointed out that Cuba and the Soviet Union are strengthening more and more their relations in the cultural sphere.

TECHNICAL COOPERATION PROTOCOL SIGNED WITH CZECHOSLOVAKIA

FL201304Y Havana Domestic Service in Spanish 1202 GMT 20 Oct 78 FL

[Text] The signing of the protocol of the 10th meeting of the Cuban-Czechoslovak subcommission on scientific and technical cooperation was held in this capital. Moments before, Hector Rodriguez Llompart, minister-president of the State Committee for Economic Cooperation, presented the 20th anniversary award to Czechoslovak officials Antonin Mrazek and (Miroslav Pasikova).

RODRIGUEZ LLOMPART RECEIVES UN INDUSTRIAL DEVELOPMENT OFFICIAL

FL192319Y Havana Domestic Service in Spanish 2315 GMT 19 Oct 78 FL

[Text] Hector Rodriguez Llompart, minister-president of the State Committee for Economic Cooperation, has received at the headquarters of this committee in Havana City Abderraham Khane, executive director of the UN industrial development organization. Matters concerned with the progress and status of projects being put into effect in our country under the sponsorship of this organization were discussed at the meeting.

LABOR TOPICS DISCUSSED AT MATANZAS PROVINCIAL MEETING

FL191845Y Matanzas Domestic Service in Spanish 1700 GMT 19 Oct 78 FL

[Text] Chaired by Oscar Fernandez Padilla, minister president of the State Committee for Labor and Social Security, a meeting was held at Matanzas' local offices of the committee to discuss various aspects of labor issues. In his speech, Fernandez Padilla expressed interest in work organization and salaries, essentially those aspects dealing with a recently published law which is directed at strengthening their development.

In closing, Fernandez Padilla stressed the need for applying coercive measures in cases of violators of the wage policy, which is contained in Law No 12 on abolishing the creation of historic wages paid before the revolution and which provides for the replacement of officials and making restitution of what has been paid in excess.

RAMIRO VALDES PRESIDES OVER CONSTRUCTION MEETING IN CIENFUEGOS

FL191554Y Havana Domestic Service in Spanish 1525 GMT 19 Oct 78 FL

[Text] Ramiro Valdes Menendez, member of the PCC Politburo and vice president of the Councils of State and Ministers, has presided over a meeting in Cienfuegos reviewing the status of the cement plant construction project being built there. The construction project, which will be the largest cement plant in the country, is over 54 percent completed, and the civil construction and assembly is Guabairo is advancing well.

The 3,000 workers building the cement plant work on 45 civil construction projects out of the 223 basic ones, and on the technical assembly of 23 others. Ramiro Valdes also toured the project for expanding the Carlos Manuel de Cespedes thermoelectric plant.

COLOMBIA

PRESIDENT TURBAY PROMISES NEW WAGE INCREASE

PA191424Y Bogota Cadena Radial Super in Spanish 1100 GMT 19 Oct 78 PA

[Text] A general wage increase for [word indistinct] workers became probable yesterday when President Julio Cesar Turbay Ayala promised the Confederation of Workers of Colombia [CTC] and the Union of Workers of Colombia [UTC] that he will decree one very soon. The president yesterday met separately for 2 hours with CTC and UTC leaders. The labor leaders said the meetings were positive, adding that their requests were fully accepted by President Turbay Ayala, particularly their demand that the Colombian workers' wages be reviewed immediately.

CTC leader Manuel Felipe Hurtado and UTC leader Tulio Cuevas Romero said that once certain legal difficulties are solved the government will decide on the wage increase.

A joint meeting between the CTC and UTC and the president has been scheduled for Wednesday. During that meeting the date for convening the national labor and wage councils will be set.

SANDINISTS TO BE SENT TO BOGOTA NEXT WEEK

PA191413Y Bogota Cadena Radial Super in Spanish 1100 GMT 19 Oct 78 PA

[Text] The foreigners section of the Administration Department of Security [DAS] today announced that the 9 Sandinists on San Andres Island will arrive in Bogota in 6 days. A DAS spokesman said that all documents and details are currently being concluded so that the nine Nicaraguans can arrive in Bogota next week. Foreign Minister Diego Uribe Vargas has processed all the documents so that the exiles can stop in Bogota on the way to other countries of Latin America where they plan to live. The foreigners office will be in charge of [word indistinct] the place of residence of these nine foreigners in Bogota or facilitating their trips to other nations.

BRIEFS

AIRPORT IMPROVEMENTS--Bogota, 12 Aug (LATIN)--The World Bank has approved credit for Colombia of $61 million to build and reconstruct local airports. The main airport to be built is the one in Medellin. The airports in Bogota and Cartagena will be reconstructed. [Buenos Aires Latin in Spanish 1255 GMT 12 Oct 78 PA]

DOMINICAN REPUBLIC

NICARAGUAN REFUGEES ARRIVE IN SANTO DOMINGO

PA191856Y Paris AFP in Spanish 0424 GMT 19 Oct 78 PA

[Excerpts] Santo Domingo, 18 Oct (AFP)--Five Nicaraguan citizens who had taken refuge in the Dominican Embassy in Managua arrived here today, sheltered under the right of political asylum. The group is headed by Adolfo Jose Chammorro Cesar, nephew of assassinated journalist Pedro Joaquin Chamorro.

According to reports, Chamorro Cesar is a leader of the National Conservative Action Movement of Nicaragua. He had an oil refining plant and a chain of home appliance stores that were allegedly ransacked and burned by the National Guard. The other refugees are Xavier Chamorro Mora and his wife, Maria Rubiales, sugar expert Wilfrido Mierisch Buitriago, and Walter Jose Alvarez Alvarado, leader of the high school student movement in Managua.

ECUADOR

TERRITORIAL CLAIMS WILL NOT BE ABANDONED

PA191645Y Quito Cadena del Triunfo in Spanish 1255 GMT 19 Oct 78 PA

[Text] Ecuador will never give up in its territorial dispute with Peru, said Ecuadorean Foreign Minister Jose Ayala. He was referring to Ecuador's stand on the Rio de Janeiro Protocol signed in 1942 after the Peruvian conflict. The protocol was imposed by force and gave Peru extensive tracts of Ecuadorean territory. Ecuador also lost its access to the Amazon River. The foreign minister said:

[Begin recording] Ecuador's international policy is based on principles and is permanent because the nation's fundamental interests are permanent. Everyone knows that Ecuador will never relinquish the goal that its territorial demands be given a solution which satisfies the nation's honor and is compatible with its destiny on the Amazone River. To this end Ecuador will maintain, as it always has, its traditional support for peaceful solutions to controversies and will use this means to obtain its goal. Naturally, it will not exclude direct and frank dialog in keeping with the nation's best interests. [end recording]

GUYANA

PEREZ, BURNHAM BEGIN OFFICIAL TALKS IN GEORGETOWN

FL191952Y Havana Domestic Service in Spanish 1916 GMT 19 Oct 78 FL

[Text] Official talks at the highest level between Guyana and Venezuela began in Georgetown today with the first working meeting between Prime Minister Forbes Burnham and President Carlos Andres Perez.

The visiting chief of state, who arrived yesterday as the first Venezuelan president to visit Guyana, was welcomed by thousands of people as a demonstration of friendship. President Perez laid a floral wreath at the monument to all the fighters for liberation.

Local observers believe that in the talks between the two leaders a mutually satisfactory solution is being sought to a Venezuelan territorial claim over two-thirds of Guyanese territory. This point reportedly would be included within the framework of several new agreements for technical and economic cooperation and a new climate of friendship between Venezuela and Guyana.

Essequibo Not on Agenda

PA200009Y Caracas Radio Continente Network in Spanish 2050 GMT 19 Oct 78 PA

[Freddy Baaptista recorded report from Georgetown]

[Text] The Port-of-Spain protocol by which Venzuela agreed to the freezing of negotiations on the Essequibo Guyana territory for 12 years is not on the agenda of talks with Guyanese Prime Minister Forbes Burnham.

The announcement was made by Venezuelan Foreign Minister Simon Alberto Consalvi. Foreign Minister Consalvi speaks to us on the talks which began today between President Perez and Prime Minister Burnham:

[Begin recording] [Question] Foreign Minister, were any conclusions reached?

[Answer] It is premature to speak of conclusions. This morning there was a meeting with Prime Minister Burnham. Afterwards, there was a meeting between the prime minister and President Perez and their delegations. The delegations were left to continue the work in the respective economic cooperation, technological, cultural and scientific fields. Then the prime minister, the president and the foreign ministers discussed the political situation in Latin America and the world in general.

[Question] And the bilateral relations between the two countries?

[Answer] In the bilateral talks we are discussing matters which I consider important, such as aluminum, or bauxite, the possible purchase of lumber and a number of important subjects which the cabinet ministers who accompanied the president are discussing, as are the presidents of autonomous institutions. I believe that cooperation between Venezuela and Guyana [words indistinct] such as the study of the hydroelectric project, the cooperation of the National Institute of Sanitation Works, the National Institute of Cooperative Education [INCE] and others with Guyana.

[Question] Foreign Minister, concerning Venezuela's claim to an important part of Guyana, was the subject discussed?

[Answer] That subject is not on the agenda nor do we believe that a state visit is the most propitious time to take up negotiations of this nature. [end recording]

Those were the statements of Venezuelan Foreign Minister Simon Alberto Consalvi, who referred to the negotiations between Venezuela and Guyana. It was reported here in Georgetown that Guyana has expressed great interest in developing the Mazaruni-Potaro hydroelectric project, which has a capacity of 750 megawatts. Venzuela would cooperate with technical and, very possibly, financial assistance. There was also talk of an exchange of sugar for tobacco; that is, Guyana would sell sugar to Venezuela in exchange for tobacco for the manufacture of cigarettes.

Other serious problems in Guyana include public health and training of engineers and architects. The INCE will sign an agreement for the training of technicians and instructors [words indistinct] in Caracas [words indistinct] help in nutritional programs of this country. Guyanese Prime Minister Forbes Burnham said during a news conference that (?he had considered) the possibility of Venezuela's participation in the construction of the hydroelectric dam on the Mazaruni River, which will generate in excess of 750 megawatts. Burnham described the project as vital to the Guyanese economy.

It is public knowledge that Venezuela is experienced in hydroelectric development, obtained in the construction of the Raul Leoni Dam on the Guri River. Venezuelan aid to Guyana to develop this hydroelectric dam on the Mazaruni River will be mostly technological and perhaps financial. The Guyanese prime minister said that the Essequibo territory, which is claimed by Venezuela, is not under discussion. He added that the talks with Venezuela will end tomorrow and more extensive information will then be made available. President Carolos Andres Perez is now visiting the Guyana University, where he was invited by the university's rector. The president also visited a sugar mill in Guyana and tonight he will host a banquet at the Venezuelan Embassy for Prime Minister Burnham.

G$17.7 MILLION IN AID COMING FROM WESTERN EUROPE

FL181925Y Bridgetown ADVOCATE-NEWS in English 16 Oct 78 p 3 FL

[Text] Georgetown, Guyana, 15 Oct (CANA)--Europe has agreed to provide Guyana with G$17.7 million in aid funds for a major project here, aimed at better exploiting the country's rich forestry reserves.

Approval of a grant of G$1.46 million and a soft loan of G$16.25 million repayable over 40 years with a grace period of 10 years and one per cent interest rate has just been announced here by the European Communities delegate, Tue Rohrsted.

This is the second contribution from Western Europe to the $79.6 million Upper Demerara forestry project, which is intended eventually to locate a large forestry complex at Great Falls, between the Essequibo and Demerara rivers, about 135 miles south of Georgetown.

The funds are being provided through the European Development Fund (RDF), which has already spent $1.04 million to finance the preliminary engineering design for the project.

The plan calls for establishment of a sawmill, installation of a six megawatt power plant powered from wood gas, provision of a 1,500-strong township, port facilities and 16-mile access road.

Guyana and the West German consultancy firm Agrarund Hydrotechnik entered into a contract last January for the engineering design, with two local engineering firms holding sub-contracts with the Germans, Mr Rohrsted explained.

The European diplomat said that the World Bank, the Inter-American Development [Bank], and the European Investment Bank (another European Communities institution which lends hard funds) have also been approached for assistance for the project.

When fully on stream the project is expected to yield 41,300 cubic metres of lumber and 122,000 linear metres of poles annually, and about 80 per cent of the total sawmill production is expected to be exported, bringing in an estimated $10.4 million foreign exchange annually, Mr Rohrsted explained.

(Guyana's current annual exports of wood average about 10,000 cubic metres, and in 1975 the country produced 57,800 cubic metres of lumber).

The mill will provide employment for about 420 persons, and according to the implementation schedule, the project will be producing from 1981, increasing Guyana's forestry production capacity by 70 per cent, the European delegate said.

JAMAICA

MANLEY RECEIVES CUBAN PEACE COMMITTEE OFFICIAL

FL200131Y Havana Domestic Television Service in Spanish 0100 GMT 20 Oct 78 FL

[Text] In Kingston, Jamaica, Michael Manley, prime minister of that country, has received Elena Gil, vice president of the World Peace Council [WPC] and president of the Cuban Movement for the Peace and Sovereignty of the Peoples. During the friendly meeting held at government house, the two officials discussed the WPC action program for 1979.

VENEZUELA

GOVERNMENT ANNOUNCES END TO BUS DRIVERS' STRIKE

PA180425Y Buenos Aires LATIN in Spanish 0206 GMT 18 Oct 78 PA

[By Jorge Banales]

[Text] Caracas, 17 Oct (LATIN)--The government announced tonight that an agreement had been reached "between the parties" to end a 2-day strike by public bus drivers in Caracas. The strike, begun unexpectedly yesterday morning by the workers of 15 private companies, affected the movement of some 250,000 persons in the populous sectors of this capital.

Labor Minister Jose Manzo Gonzalez said tonight that "thanks to the good offices and the cooperation of the government," a settlement formula had been reached that was accepted by the businessmen and labor leaders. Humberto Hernandez, a senator from the governing Democratic Action [AD] Party and president of the Federation of Venezuelan Transportation Workers, had condemned the strike, and Sotero Rodriguez, secretary general of the same labor union in the Federal District, blamed it on "ultraleftist groups." For their part, official sources and AD spokesmen accused the opposition of aggravating deficiencies in public services for the purpose of creating unrest 6 weeks before the general elections.

Tonight's meeting was attended by the labor minister, Information and Tourism Minister Celestino Armas, labor leaders Hernandez and Rodriguez and representatives of private companies. The official report did not mention the presence of representatives of the strikers, several of whom were arrested in the course of the 2-day strike.

PRESIDENT PEREZ TO PAY VISIT TO BARBADOS

FL181905Y Bridgetown ADVOCATE-NEWS in English 14 Oct 78 p 1 FL

[Text] Venezuelan President Carlos Andres Perez will make a 24-hour visit to Barbados following an October 18-20 official stay in Guyana, diplomatic sources here said last night. There has as yet been no confirmation from the Barbados Government or the Venezuelan mission in Bridgetown.

The Venezuelan president is going to Georgetown for talks with Prime Minister Forbes Burnham and the administration and will be taken on tour of a number of places, including a co-operative village along the Atlantic coast east of the capital.

He is responding to an invitation extended two years ago when Mr. Burnham was in Caracas on an official visit. (CANA)